1	2
Group-II	
(Coking Coal WG II,	
III, Semi Coking I,	
II, Non-Coking A.B)	135.00
Group-III	
(Coking Coal WG IV,	
Non-Coking C)	95.00
Group-IV	
(Non-Coking D,E,)	70.00
Group-V	
(Non-Coking F,G)	50.00
Group-VI	
(Andhra Pradesh Coal)	75.00

Policy for Paper Industry

661. SHRI G.A. CHARAN REDDY: Will the Minister of INDUSTRY be pleased to state:

(a) whether the Government have urged the paper industry to consider strategic alliances amongst domestic paper mills to market their products so as to bring down the delivery costs, avoiding costly and criss-cross transportation;

(b) whether the Government are considering for evolving a suitable policy framework to make available adequate raw material at reasonable price to the paper industry;

(c) if so, the details thereof; and

(d) the extent to which the said policy is likely to help the paper industry?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) High cost of production is the single most limiting factor affecting the competitiveness of indigenous paper industry. Government has advised the industry to consider all cost cutting options including strategic alliances to transport and market their products.

(b) to (d) There is no shortage of non conventional raw materials like agro based residues and waste paper. However, large scale industry led plantation would be an ideal and cost effective solution for ensuring regular supply and for generating rural employment.

SBI Signed Mou with Egypt

662. SHRI SURESH KALMADI: Will the Minister of FINANCE be pleased to state:

(a) whether the State Bank of India have signed a Memorandum of Understanding with Egypt's Social Fund for Development; and

(b) if so, the details of the MOU?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Yes, Sir.

(b) State Bank of India (SBI) had signed an MOU with Social Fund for Development (SFD), Egypt. Under this MOU, SBI will provide technical assistance to SFD in the following areas:

development of efficient credit delivery mechanisms, through banking channels, in Egypt, for weaker sections of the society.

building up suitable training infrastructure and initial training of Egyptian-bank staff in the required skills.

Until now three training workshops of five days each have been conducted by SBI in Egypt and a two-week training programme on rural and developmental banking has been conducted at the State Bank Institute of Rural Development, Hyderabad for staff of the commercial banks in Egypt through the aegis of SFD.

Soiled Currency Notes in Karnataka

663. SHRI K.C. KONDAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether soiled and mutilated currency notes of Rs. 1, Rs. 2 and Rs. 5 are in great circulation in Karnataka;

(b) if so, whether these soiled notes are not being accepted by nationalised banks in the State;

(c) if so, whether the Reserve Bank has taken any action to provide coins to replace soiled notes;

(d) if so, the time by which the coins are likely to be supplied to banks in the State to replace soiled notes; and

(e) the estimated value of Rs. 1, 2, and 5 denomination soiled notes in Karnataka?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) No, Sir. With the discontinuance of printing of smaller denomination notes of Re. 1, Rs. 2 and Rs. 5, and with the withdrawal of unfit notes, the quantum of these notes in circulation has come down.

(b) All the banks are under instructions to freely accept soiled notes of these smaller denominations for exchange. The currency chests maintaining branches have also been delegated with powers under RBI Note Refund rules to adjudicate claims on mutilated notes free of cost. Complaints received from the general public in this regard are also attended to.

(c) and (d) With the Government's decision to discon-

tinue printing of smaller denomination notes, arrangements have been made to supply more quantities of coins of these denominations.

(e) As on 31st May 1997, the estimated value of Rs. 2 and Rs. 5 denominations soiled notes in Karnataka was Rs. 48,63,27,994 and Rs. 3,92,47,190 respectively. The value of Rs. 1 notes in circulation in Karnataka alone is being collected and will be laid on the Table of the House.

Restructuring of Industrial Finance Corporation of India

664. SHRI ISWAR PRASANNA HAZARIKA: Will the Minister of FINANCE be pleased to state:

(a) whether the Industrial Finance Corporation of India Ltd. has engaged consultants to study and submit recommendations on restructuring of the Corporation;

(b) whether the consultants have submitted their report;

(c) if so, the recommendation made therein; and

(d) the steps being taken by the Government to implement those recommendations?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Yes, Sir.

(b) Yes, Sir.

(c) and (d) The Industrial Finance Corporation of India Ltd. (IFCI) has reported that the recommendations made by the Consultants cover important areas such as strategy for current businesses, strategy for entering new businesses, business process reengineering, organisation restructuring and information technology. The recommendations made by the Consultants were considered and approved by the Board of Directors of IFCI with certain modifications. The major recommendations of Consultants as approved by the Board of Directors are under implementation.

Import of Pulp

665. SHRI RAMESH CHENNITHALA: Will the Minister of INDUSTRY be pleased to state:

(a) the total tonnes of pulp imported by the Hindustan Paper Corporation during each of last three years;

(b) whether there is any proposal for import of pulp in the current years; and

(c) if so, the details thereof?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) Pulp imported by Hindustan Paper Corporation Limited (including Hindustan Newsprint Limited—subsidiary of HPC) in the last three years;

(In MT)

1994-95	1995-96	1996-97
21439	14172	14468

(b) and (c) There is no proposal at present for import of pulp for Nagaon and Cachar Paper Mills of Hindustan Paper Corporation. However, Hindustan Newsprint Limited, a subsidiary of HPC has so far, during the current year, finalised orders for import of 5000 MT of pulp.

Hindustan Photo Films

666. SHRI AJOY MUKHOPADHYAY: Will the Minister of INDUSTRY be pleased to state:

(a) whether the Hindustan Photo Films Manufacturing Co. Ltd. has been incurring losses since 1992;

(b) if so, the details thereof alongwith reasons for losses;

(c) whether any revival package has been approved by the Cabinet;

(d) if so, the salient feature of the same including the details of financial restructuring approved by the Government;

(e) whether trade unions and officers associations have submitted any revival plan; and

(f) if so, the details thereof alongwith the Government's views thereon?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) and (b) Yes, Sir. The details of the losses and the reasons thereof are as under:-

Details of losses:-

1992-93	Rs. 117.31 crores
1993-94	Rs. 58.81 crores
1994-95	Rs. 56.86 crores
1995-96	Rs. 70.88 crores
1996-97	Rs. 89.05 crores (provisional)

Reasons for losses:-

(i) Unable to face competition from small confectioners & imports.

(ii) Bad investments in Magnetic Tape plant, Automatic photo booths.

(iii) Large time and cost overruns in new project.

(iv) Diversion of funds from old to new plant.

(v) Heavy interest burden on excessive loans.

(vi) High overheads and manpower costs.